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PERSONNEL RECRUITMENT PROBLEMS IN THE PAYROLL BRANCH,
FISCAL DIVISION OF THE COMPTROLLER'S OFFICE

Assessment and Evaluation Staff
Office of Training

## I.   SUMMARY

This study was requested jointly by the Acting Comptroller and the Deputy Director of Personnel because of difficulty they had experienced in keeping the T/O for payroll clerks in the Fiscal Division filled.

Various explanations for this difficulty have been offered:  mechanization of the work, particularly too rapid mechanization without employee acceptance of the change; recruitment of personnel whose characteristics did not suit the requirements of the job; adverse impressions regarding the nature of the job, gained by potential employees while in the Interim Assignment Section; poor supervision; inadequate payscale; and the friction between employees with seniority and the new employees.

The employees of the Payroll Branch have been repeatedly surveyed and interviewed during the past year.  Rather than disturb them further at this time, it was considered desirable, as a first step, to see what could be learned from the personnel records and from interviews with supervisory and management personnel.  Three findings emerged from these limited steps: (1) Turnover did not appear to be a problem until 1956.  (2) This increase in turnover was coincident with the shift from block to functional (or production line) accounting.  (3) The payroll clerks are divided into two distinct age groups.

While all of the explanations which have been offered may be true in part, the three findings above lead to an interpretation which the Comptroller may wish to consider before further study is undertaken.  This interpretation stresses the presence of two distinct and widely separated age groups as the major predisposing cause; and the change in methods of accounting as the precipitating cause.  The other factors that have been mentioned as causes are viewed as contributory.  Verification of this interpretation can come only from intensive interviewing or from changing the situation in some way to prevent the interaction of these two age groups.  These considerations are elaborated in the body of the report.

## II.   BACKGROUND

A preliminary review of the experience of other agencies with respect to turnover of payroll clerks indicated that this problem is widespread and is generally attributed to the repetitive nature of the work and the lack of job satisfaction which can be obtained even under optimum conditions. Difficulty in recruiting has been one reason, at least in some agencies, for the

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increasing mechanization of payroll operations. The shift to machine accounting and to more efficient methods of performing the remaining necessary hand operations has further reduced the possibilities for job satisfaction to the individual payroll clerk.

Although this movement toward mechanization has tended to reduce the number of payroll clerks needed, the Civil Service Commission continues to have difficulty in recruitment and is currently considering a proposal to upgrade payroll clerks on a nation-wide basis.

III. OBJECTIVE OF THE STUDY

In light of the experience of other agencies it was assumed that the nature of the work induced high employee turnover and that this turnover would exist independently of the working conditions in this or any other agency. It was therefore decided to attempt to identify in this payroll unit:

A. Any unusual trends in staff turnover.

B. The characteristics of employees who remained on the job as contrasted with those who quit.

The above information would then provide a basis (1) for determining whether any specific situation or circumstance had affected the normal turnover rate, (2) for defining characteristics of individuals most likely to remain on the job, and (3) for evaluating the probable effect of administrative actions which might be taken to reduce turnover.

IV. METHOD OF INVESTIGATION

A roster of 71 employees (25 Male - 46 Female) who had been on duty in the Payroll Branch between 1 Jan 50 and 1 Oct 56 was obtained from the Comptroller's Office. Data for the study were obtained from the personnel files of 66 people (22 Male - 44 Female) on the above-mentioned roster and from the test record of 53 people (17 Male - 36 Female) on whom the Assessment and Evaluation Staff had psychological test information. Test records were not available on 13 people (5 Male - 8 Female).

The number of months each employee in the sample had served in the Payroll Branch was determined from personnel actions; length of service in the Payroll Branch was then compared with characteristics[1] (age, education, etc.) of the employees.

V. RESULTS

A. The following Table shows the number of individuals hired and separated from the Payroll Branch since 1950.

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[1] See Appendix for list of characteristics tabulated.

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Table 1

Individuals Entering and Leaving Payroll Branch*

| | 1950 | | 1951 | | 1952 | | 1953 | | 1954 | | 1955 | | 1956** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | F | M | F | M | F | M | F | M | F | M | F | M | F |
| EOD | 6 | 5 | 4 | 7 | 2 | 7 | 5 | 4 | 0 | 5 | 2 | 8 | 2 | 9 |
| Transferred | | | 2 | 0 | 3 | 0 | 2 | 3 | 3 | 3 | 2 | 3 | 0 | 3 |
| Resigned | | | | | | | 1 | 1 | 1 | 3 | 0 | 3 | 1 | 11 |

* Number on board has varied from 22 to 30 giving an average annual resigna-
tion rate of less than 15% prior to 1956. This compares with an agency-wide
rate for grades GS 4 through GS 6 of 20%.
**1956 data complete through October.

These data raise two major questions: (1) Why so few separations
prior to 1953, and (2) Why so many separations in 1956. On rechecking with
the Comptroller's Office it was determined that their records of employees
separated during 1950, 1951, and 1952 may have been incomplete. The abnormal
separation rate in 1956 (12 resignations in 10 months as compared with an
average of 3 resignations per year in the preceding 3 years) indicated a
situation factor not present in prior years. This situational factor was
presumably the change in accounting methods.

B. With the exception of some relationship of age and length of service,
other analyses of data in the Personnel Files were inconclusive, although
containing hints that might warrant further study. Table 2 gives the age
distributions of those who left before and after 2 years of employment.

Table 2
Age at EOD in Payroll Branch

| Age* | Left in 2 years or less prior to 1956 | | Left after 2 years prior to 1956 | |
|---|---|---|---|---|
| | M | F | M | F |
| 60+ | 0 | 0 | 0 | 1 |
| 55 - 59 | 0 | 0 | 0 | 2 |
| 50 - 54 | 0 | 1 | 0 | 0 |
| 45 - 49 | 0 | 0 | 1 | 4 |
| 40 - 44 | 0 | 0 | 1 | 3 |
| 35 - 39 | 1 | 0 | 0 | 1 |
| 30 - 34 | 2 | 3 | 3 | 3 |
| 25 - 29 | 3 | 2 | 1 | 2 |
| 20 - 24 | 2 | 2 | 3 | 3 |

* Age as of 1950 was used for those employees on board before 1950.

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The first point to be noted from this table is the unusually large age range. The second point to be noted is the tendency for there to be a smaller proportion of those 35 and over who leave before 2 years. The third point to be noted is that for those under 35 there is no difference between the proportion leaving before 2 years and the proportion leaving after 2 years.

C. Interviews and briefings brought out the following:

1. Within a year or less, a new employee will achieve the same grade level (GS-5) as employees with several years' service.

2. Personnel in the Payroll Branch divide into two groups - over and under forty (40) years.

3. Many employees in the Payroll Branch of the Fiscal Division would prefer to work in the Finance Division. No analysis was made of the payroll operations in the Finance Division, but this Division is known to offer prospects for promotion and overseas duty which are not available in the Fiscal Payroll Branch.

4. Many employees in the Interim Assignment Section are reluctant to accept placement in this Payroll Branch.

VI. DISCUSSION

A. Except in 1956, the records do not show turnover as abnormal even though prior to 1956 this Branch had a "built-in" turnover resulting from assigning individuals for training with the intention of transferring them after they became familiar with the operation.

B. The severe turnover in 1956 cannot be related exclusively to any single factor, but rather to predisposing conditions which were triggered by the change to functional accounting.

C. Of these predisposing conditions, the existence of conflicting groups is believed to be the most basic. The older group was (and is) cohesive. It gets from the job quite different kinds of satisfaction than the younger group does. In this instance those who are senior in age also tend to be senior on the job and could be expected to form cliques to resist the intrusion of juniors on an equal level. This resistance would stem from the conviction that senior employees should be entitled to some reward or superior status for continued service. Under the present policy, however, senior employees find little recognition, either psychological or monetary, for continued service in this Branch. Within six months to a year, a new employee can reach the same grade level as an employee who has been on the job several years. The older employee's dissatisfaction with his position is compounded when he sees better qualified, but younger, individuals promoted. Moreover, both age groups would question the difference in opportunities for advancement between the Fiscal and the Finance Divisions. Both would be

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affected by instances of poor recruitment, unfavorable discussion of the payroll job in the IAS, any undesirable factor in the physical environment, and by the poor supervision. In our view, correction of any of these factors, save possibly the last, would not solve the basic problem. Efforts to change any of these factors should be held in abeyance until a basic policy covering age group desired has been determined. Concerning supervision, it would require an outstanding supervisor to cope with this situation, and it will take a strong supervisor to work out the problem. We do not believe, however, that poor supervision can be considered a direct cause of the turnover in 1956.

D. The precipitating cause for the sharp increase in separations in 1956 clearly emerged as a change in accounting methods which reduced the possibilities for employee satisfaction within the job situation. In this connection, it should be noted that this change did not directly involve increased mechanization. It did, however, accentuate a change associated with machine accounting by reducing the variety of operations performed by an individual employee. It also reduced his sense of importance by removing the individual's feeling of sole responsibility for assuring that a group of people were paid. Since the change in accounting methods should have required no new skills, but only a redirection of efforts, it can be assumed that the new system proved inoperable because of resistance, either conscious or unconscious, on the part of the payroll clerks. Further, it appears probable that this resistance would be most felt by the older employees who were deprived of the opportunity to use various skills which they had learned.

VII. CONCLUSIONS

A. Before further study is made, a basic decision by the Comptroller is needed concerning the age group he wishes to work towards for the Payroll Office.

Because of this conclusion, this report is submitted on the basis of the limited information gained to date and does not contain detailed recommendations.

B. Factors that will need to be considered following this basic decision are:

1. Method of approaching the goal of a homogeneous group.

2. The kind of supervisor that will be needed to implement the decision.

3. The kind of rewards this job will emphasize (this includes both monetary and psychological and has implications concerning the type of accounting system which should be used).

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C. Further steps to be taken by the Assessment and Evaluation Staff will depend on decisions reached on the points in A and B, above.


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